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Viewing cable 09CAIRO353, A NEW APPROACH TO EGYPT'S ESF

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cable's unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09CAIRO353**.

Reference ID	Created	Released	Classification	Origin
09CAIRO353	2009-02-26 12:14	2011-08-30 01:44	SECRET	Embassy Cairo

Appears in these articles:

<http://www.aftenposten.no/spesial/wikileaksdokumenter/article4008848.ece>

O 261214Z FEB 09
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 1752
INFO NSC WASHDC IMMEDIATE

S E C R E T CAIRO 000353
STATE FOR F
AID FOR AME
STATE ALSO FOR NEA/ELA

E.O. 12958: DECL: 02/25/2019
TAGS: [EATD](#) [PREL](#) [KDEM](#) [EG](#)
SUBJECT: A NEW APPROACH TO EGYPT'S ESF

Classified by Ambassador Margaret Scobey for reason 1.4 (d).

¶1. (S) Summary and Key points:

--A robust economic assistance program for Egypt serves long-term U.S. interests: it balances a relationship otherwise defined solely on security
--Resolution of the current impasse over FY 2009 ESF should not be a prelude to picking up where we left off. We should take advantage of the current
--We should consider a bold approach -- possibly an initiative endorsed by both presidents -- that focuses resources on a single key sector, such as
--Resolution of the impasse will require consideration of future assistance levels, evaluating new delivery mechanisms such as an endowment, and
Why This Matters

¶2. (S) Egypt has changed dramatically over the past three decades and USAID can take credit for many improvements. Almost all Egyptians have a

¶3. (S) Beyond the demonstrable need for continued external support for Egyptian development goals, the U.S. should also consider the need to find
What Is the Correct Funding Level?

¶4. (S) The Egyptians are proud and will state categorically that they will not bargain for assistance -- ie, they will not barter domestic political

¶5. (S) Egypt will also state that their negative reaction to the FY2009 level of \$200 million was not about the money, but about the disrespect

¶6. (S) The Mission believes that much could be done with a \$200 million program spent primarily on project assistance. In recent years, the GOE
Taking a new approach

¶7. (C) Assuming we come to agreement on future assistance levels, the U.S. and Egypt need to come to agreement on how to structure and deliver

¶8. (S) In conversations with GOE officials last year on the future of the ESF program, Egyptian ideas focused on minimizing the profile of U.S.

¶9. (S) The Mission has a different vision for ESF in Egypt, hopefully one that the Egyptians can share. We propose consideration of a new bilateral

¶10. (S) A variation on this approach might be to identify, in consultation with the GOE, a bold, single purpose goal on which we focus all our
Getting to agreement with the Egyptians

¶11. (C) The first challenge will be removing the irritants from the ESF bilateral programs. Current tensions are linked to the sharp drop in F
D&G

¶12. (C) In recent years, at Congressional direction, bilateral ESF has been used for a direct grants D&G program that has caused deep resentment

¶13. (S) Despite possible overfunding, the Mission believes that a direct grants program has had some positive impact on the capacity of Egyptian

¶14. (S) Moving the programmatic side of democracy promotion out of the bilateral program would not remove the Embassy from bilateral discussions
Negotiating a new program

¶15. (S) The second challenge will be convincing the GOE of the need to focus on project assistance. Moving away from programs such as cash transfers

¶16. (C) Finally, there may be some program elements that we might include in our proposal that would make it more interesting for the GOE. For

¶17. (S) Finding common ground with Egypt on this program will not be easy and may take several months. But good will is now available and we intend
SCOBES